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EFFECT OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE TO THE VALUE OF COMPANIES WITH ENVIRONMENTAL MANAGEMENT AS A MODERATING VARIABLE

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Abstract:
In today's modern era, competition in the business world is getting faster and more competitive. It can be seen on the Indonesia Stock Exchange which every year becomes the media for company entry and exit. This has resulted in companies competing to show the advantages that exist in each company to get good value in the eyes of investors. This study aims to determine and analyze the effect of CSR on firm value. So there is a need for further research related to the effect of the issuance of these regulations. It is hoped that this research can provide empirical evidence of the effect of CSR on company value, by including Environmental Management as a moderating variable. This research is a quantitative study using secondary data, namely in the form of sustainability reports from mining companies for 2019-2021. Testing the data using Moderation regression analysis. Results The type of data used in this study is quantitative data. The data source used in this research is secondary data with purposive sampling method. There are 3 variables studied, namely CSR disclosure, corporate values and environmental management. The results of this study obtained 45 research samples from 15 mining companies for the 2019-2021 period, and succeeded in proving that the CSR variable did not have a significant effect on company value, while the environmental management moderation variable was able to moderate strengthen the relationship between CSR and company value.

Keywords: Company Value, Corporate Social Responsibility, Environmental Management

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INTRODUCTION

In today's modern era, competition in the business world is getting faster and more competitive. It can be seen on the Indonesia Stock Exchange which every year becomes the media for company entry and exit. This has resulted in companies competing to show the advantages that exist in each company to get good value in the eyes of investors. One of the basic goals of a company in order to survive in competition is to increase the value of its company to increase the prosperity and welfare of company owners (Zabetha, Tanjung, and Savitri, 2018). One of the industrial sectors of public companies on the Indonesia Stock Exchange that is of considerable interest to investors is the coal mining sector (Santoso, Damayanti, and Razak, 2019). Mining companies are closely related to environmental welfare. Indonesia has many mining companies so that environmental damage will appear and have quite an impact not only on humans but also on other aspects that are disrupted by the mining industry activities.

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Investors to invest so that it will affect the value of the company. If the company is unable to prevent pollution from occurring, it will have a negative impact on company value. Minister of Environment Regulation Number 03 of 2014 concerning Programs for Evaluation of Company Performance Ratings in Environmental Management. Performance Rating Program for Companies in Environmental Management, hereinafter referred to as Proper, is an evaluation of compliance and performance exceeding compliance with those in charge of business and/or activities in the field of controlling pollution and/or environmental damage, as well as managing hazardous and toxic waste materials. For assessment using Proper, it starts with the best color, namely Gold, Green, Blue, Red and the worst is Black. By looking at the color ranking, it can be interpreted that the public can find out the level of management that exists in the company.

Currently the implementation of Corporate Social Responsibility (CSR) has been regulated in several laws so that companies can carry out their social responsibilities in accordance with the provisions of the laws that have been made. Stipulated in Law Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies, Law Number 32 of 2009 concerning Environmental Protection and Management, Law Number 25 of 2007 concerning Investment, Law Number 22 of 2001 concerning Oil and Gas, Law Number 4 of 2009 concerning Mineral and Coal Mining, Government Regulation Number 23 of 2010 regarding the Implementation of Mineral and Coal Mining Business Activities, Law Number 21 of 2014 regarding Geothermal, Government Regulation Number 74 2001 concerning the Management of Hazardous and Toxic Materials, and Law Number 13 of 2011 concerning Handling the Poor. CSR activities along with reporting are supported by the Global Reporting Initiative (GRI) which has issued items that make it easier for companies to prepare sustainability reports. GRI has released a new reporting standard called GRI Standards in 2016 with aspects of foundation, general disclosure, management approach, and topic-specific standards consisting of economic, environmental and social aspects (Global Reporting Standard, 2017). Shareholders certainly will not be careless in investing their shares in the company. The value of the company is something that can be seen through the price of the shares of the company itself. The higher the stock price of the company, the higher the company value (Suryati, Gama, and Astiti, 2019).

The company's value is a reference for shareholders to invest in the company. Therefore, the company must have high quality both from a financial and environmental perspective. Environmental Management is only as a complement to the company having a good image. Because a good company environment indicates that the company is responsible for achieving its goals. Many private companies are now developing what is meant by Corporate Social Responsibility (CSR). CSR on company value in the mining sector is very important, because CSR is believed to increase company value, where investors tend to invest in companies that have social concern, using social responsibility information as one of the company's advantages, especially mining sector companies that business activities have a direct impact to environmental.

GRAND THEORY Based on legitimacy theory, legitimacy is a form of acknowledging the company's existence from the community. To be accepted by society (society), organizations must be able to align economic goals with their environmental and social goals (Mufidah, 2018). If a mining company pays close attention to environmental management, the community will respond favorably to the company, so that the company's image will improve. With a good corporate image will also be valued well by investors. Investors are more interested in companies that have a good image in the community, because it will increase consumer loyalty which will be attracted to the products produced by the company. Stakeholder theory says that a company is not an entity that only operates for its own interests but must provide benefits to its stakeholders (Suryati, Gama, and Astiti, 2019). According to Wardhana (2017) stakeholders have the right to know the actions taken

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by management, such as the right to know financial, environmental and social responsibility performance, this information can be used to assess company performance, the more stakeholder expectations are met, the firm value will increase. The company's main goal is to increase the value of the company. Companies must pay attention to all dimensions, namely economic, social and environmental so that the value of the company will be guaranteed to grow sustainably and be profitable for the company in the long term. By applying these 3 dimensions it proves that the company is responsible and has concern for the environment around the company. Signal theory explains that investment decisions from outside the company will depend heavily on information issued by the company (Lingga and Wirakusuma, 2019). Signals are a form of information stating that the company is better than other companies. Information is very important for investors and business people to be able to provide information regarding records and descriptions both in the past and in the future, for the sake of the company's future. Accurate and timely information is needed by investors in the capital market as an analysis of decision making by investors. Investors will invest their shares if they have made a decision through the capital market.

METHODS

The type of data in this study is quantitative data. The data taken comes from the rating category (Environmental Performance) and Corporate Social Responsibility (CSR). Source of data in this research is secondary data. Secondary data is in the form of annual reports of mining companies, as well as a list of companies that have followed proper to measure Environmental Management. Data was taken through the official website address at www.idx.co.id. As well as the list of companies evaluated by the Ministry of Environment for the PROPER program obtained from the official website at www.proper.menlh.go.id. Population is a collection of elements that have certain characteristics that can be used to make conclusions (Chandrarin, 2018). In this study taken from mining companies listed on the IDX because they have the largest companies compared to other sector companies. The sample is a collection of subjects that represent the population (Chandrarin, 2018). The research was conducted using a purposive sampling method, namely a sampling method based on certain criteria. The criteria used are as follows: Mining companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021. Mining companies registered with PROPER ratings for 2019-2021. Mining companies that publish annual reports and can be downloaded through the IDX website or their respective websites each mining company

RESULT AND DISCUSSION

Table 1. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	85187.338	55126.904		1.545	.130
	PL	5487.509	7960.397	.110	.689	.494
	CSR	-11876.650	7275.829	-.273	-1.632	.110
	PL*CSR	1.269E-5	.000	.384	2.116	.040

The results of this moderation test equation focus on the interaction of Environmental Management with Corporate Social Responsibility. The research results show the magnitude and direction of the interaction effect of the moderating variable and the independent variable on the dependent variable. The regression coefficient which is positive means that it has the same effect as the firm value, while the regression coefficient which is negative means that it has an influence that

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is not in the same direction as the firm value. Based on the multiple linear regression equation, it can be explained as follows:

1. A constant value of 1.545 means that if the environmental management and Corporate Social Responsibility variables are constant or have a value of 0 then the company value is 100%.
2. The Coefficient Value of the Corporate Social Responsibility Variable is -11876, which has decreased by 1 unit, assuming that the variables of company size, board size and profitability are considered constant, CSR will decrease by -1.632 units.
3. The coefficient value of the interaction variable between environmental management and corporate social responsibility (PL*CSR) is 1.269, meaning that environmental management (X1) has increased by 1 unit assuming that corporate social responsibility is considered constant, so company value will increase by 2.116 units.

The results of the hypothesis test in Table 9 show that environmental management interactions are able to moderate the positive influence of CSR on firm value by 1.269 with a significant level of 0.040. A significance value of 0.040 <0.05 indicates that H2 which states that the Environmental Management variable is able to strengthen the CSR relationship with Firm Value so that it can be concluded that the hypothesis is accepted. Corporate Social Responsibility on company value The results of this study explain that the beta regression coefficient value of CSR is -0.273 with a significance of 0.110 > 0.05, so it can be explained that the CSR variable in this study has no significant negative effect on firm value.

The results of this study prove that the disclosure of corporate responsibility has no influence that can affect a conditional value of the company, both from internal performance and external assessment and the condition of the company's management itself. these results proved to reject the hypothesis in this study. These results support the research conducted by Suryati (2019) Profitability Interaction Moderates Firm Size Against Intellectual Capital Performance The results of the study prove that the interaction of environmental management variables as a moderator is able to strengthen the relationship between CSR and company value. With a coefficient of determination of the Beta value of 0.384 (positive) with a significance level of 0.040 <0.05. The results of this study explain that the greater the environmental management as part of the company's commitment to good performance, it is proven to provide positive input for the company to develop and increase the company's assets which are disclosed in Corporate social responsibility. This will affect the added value of a company, and will also be a positive signal for the company's stakeholders.

CONCLUSION

Based on the results of the research analysis and the results of the discussion in the previous chapter, the conclusion from this study is that Corporate Social Responsibility has a negative and insignificant effect on Company Value in Mining companies on the IDX for the 2019-2021 period. Environmental Performance Interaction is able to strengthen the relationship between Corporate Social Responsibility and Corporate Value in Mining companies on the IDX for the 2019-2021 period Based on the conclusions above, the suggestion from this study is that further research can be carried out by increasing the number of observed samples and developing a research model by adding research variables such as the level of efficiency so that the results obtained are able to describe the actual situation. For External Parties. This research is expected to be a basic reference for starting to invest in the capital market. By monitoring companies that consistently enter into mining companies that tend to have good financial reports and can be trusted for their sustainability. Having strong internal management and consistency in developing.

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